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SUBJECT: ARMENIA: 2006 COUNTRY REPORTS ON TERRORISM

REF: A) STATE 175925 B) 05 YEREVAN 2037

**11.** SUMMARY: There have been no major terrorism-related developments in Armenia in 2006. Per reftel instruction, the following is an update of Armenia's 2005 Country Report on Terrorism. END SUMMARY.

**12.** With substantial U.S. assistance, Armenia continues to strengthen its capacity to counter the country's few perceived terrorist threats. While no known terrorist groups operate domestically, Armenia's geographic location, porous borders, and loose visa regime present growing opportunities for traffickers of illicit materials, persons, and finances.

**13.** The government's deepening political and economic ties with neighboring Iran have, however, limited Armenian criticism of Iranian extremism and heralded closer diplomatic and trade relations between the two countries. President Kocharian spoke out in November against the possibility of international sanctions against Iran. Armenia also has normal diplomatic and economic relations with Syria. Both Iran and Syria have large ethnic Armenian populations.

**14.** The Financial Monitoring Center (FMC), a U.S.-supported financial intelligence unit within the Central Bank designed to consolidate reporting requirements for large or otherwise suspicious money transfers, was established in early 2005. The FMC is still developing as a regulatory body. Though it received no reports of fund transfers in support of terrorism in 2005, it began to make investigative strides in 2006. During the first 10 months of 2006, the FMC received 23 suspicious transaction reports. After analyzing these reports, the FMC developed five suspicious transaction cases, three of which have been referred to the Prosecutor General's office for further investigation. To date, the FMC has received no reports of transactions involving watch-list designees. The heavy flow of remittances, however, may hinder efforts to detect fund transfers in support of terrorism. The FMC applied for Egmont Group membership in 2006 and hopes for membership status in 2007.

**15.** Armenia continued efforts to increase the security of its vital documents such as birth certificates, introduced additional security features into the production of passports, and continued to install passport readers at border posts. On November 1, the government implemented mandatory fingerprinting for travelers departing Zvartnots Airport - Armenia's only international airport. The National Security Service (NSS) and police continued to share information with the U.S. Embassy when they discovered fraudulent U.S. visas or other documents.

**16.** In August 2005, the government passed legislation establishing the National Control List, a schedule of

controlled commodities that either cannot be exported or that require an export license because of the potential for misuse. The list is adapted from the European Union's dual-use list. The list is currently being updated, and is scheduled for completion in early 2007. It complements legislation the government adopted in late 2004 that required licensing exports and imports of radioactive sources.

17. Armenia supported U.S. efforts in Iraq with troops on the ground and provided overflight authorization in support of Operation Enduring Freedom.

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TRAINING AND MONITORING EFFORTS  
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18. In May, the UN Analytical Support and Sanctions Monitoring Team for al-Qaida and the Taliban visited Armenia to monitor the implementation of sanctions according to a number of UN resolutions. The team met with the Central Bank, the Ministry of Defense, the National Security Service and the Police, as well as with the Ministry of Foreign Affairs. According to the MFA, the team said it was satisfied with Armenia's level of preparedness.

19. In September, Armenia participated in a CIS-wide exercise called "Atom-Antiterror 2006." The Armenian special forces, together with the Russian Federal Security Service (FSB), ran counterterrorism and hostage release drills at the Armenian Nuclear Power Plant (ANPP). In October, according to press reports, the FSB and the Armenian NSS signed two counterterrorism cooperation protocols.

10. In early December, about two dozen mid- to senior-level  
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Armenian law enforcement, customs, defense and health officials participated in a U.S. Department of Defense-sponsored training course on prevention of terrorism and WMD proliferation.

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POST POINT OF CONTACT  
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